

THE LEONARD LETTER

A weekly electronic newsletter

from

*Bill Leonard, Member
State Board of Equalization*

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"For we know that if our earthly house, this tent, is destroyed, we have a building from God, a house not made with hands, eternal in the heavens."

2 Corinthians 5:1, NKJV, dedicated to the victims of California's fires

*****Firestorm Update*****

I am saddened to report that the homes of many Leonard Letter readers and longtime friends and family members of mine have been lost in the fires raging in the Inland Empire of Southern California right now. My own home and that of my parents' survived, though they are both filled with smoke and ash. My niece's home a few blocks away is a total loss, and my sister is currently under evacuation orders. My thanks to those who have called to express concern and offer prayers. When all this is sorted out and we find the criminals who started these fires, I suggest they be charged with terrorism. "Arson" simply does not convey the horror and devastation these people have caused and the media gives them too much credit by labeling them "arsonists." The fear, death and destruction they have caused is evil and must be treated as such.

UNDER THE DOME

*****Chief of Competence*****

Governor-elect Schwarzenegger has made competence the standard for his administration with the appointment of Patricia Clarey as his Chief of Staff. I have had the pleasure of knowing Pat and working with her since the early 1990s. She will serve the new Governor very well. Governor Wilson depended on Clarey to make his administration run smoothly when she was his Deputy Chief of Staff. I remember that on almost every occasion when I dropped in on her office and that of Bob White (Governor Wilson's long time Chief of Staff) that they were working to make peace between competing department heads or to make clear the Governor's desires to other department heads who were listening too much to their own bureaucracies. The job she is taking is a huge responsibility ranging from the nuts and bolts of making government work to the public announcements and declarations of the Governor's vision for California. Pat, I wish you well.

*****Honoring Sacrifice*****

Friday night was the Correctional Peace Officers annual ceremony to honor those who died in the line of duty protecting us from violent criminals. This year was particularly emotional as we honored those who died and remembered the nine officers who are assaulted every day in our state prisons. Our speaker was Mark Macarro, known to many as the Chairman of the Pechanga Tribal Council who appears on television defending tribal rights. But he did not talk about that. He talked about his father, a Youth Authority officer who was killed in the line of duty. While some see Indians as something other than our neighbors, it is clear by the sacrifice of Les Macarro that tribal members are Californians.

The other memorial that choked me up was being asked by the Correctional Officers to present a token of thanks to the family of David Perry. Perry was a Correctional Officer full-time and a California National Guardsman part-time. He was killed in the line of duty in Iraq. He worked to protect us in California and died to gain the freedom of the people of Iraq.

There is no greater sacrifice than to give one's life to protect others, and it does the rest of us good to pay tribute to those who laid down their lives in doing their duty. They are a reminder to us of God's greater calling and an inspiration to live our lives worthy of their sacrifice.

*****Graceful Exit*****

The 24-hour news cycle has spawned the need for constant analysis and speculation by the media, even when it may not be "news." California politics is a great topic for such discussions and so many talking heads have been speaking much about the transition between the Davis and Schwarzenegger administrations. Some are skeptical and critical of Governor Davis's behavior as the hand-off approaches, but two quotes this last week are more hopeful than you may otherwise be hearing. Sharon Davis was quoted (San Francisco Chronicle, Oct. 23) as saying of Schwarzenegger, "I hope that Arnold can do it. I hope he can whip the Legislature into shape.... We live here. We want to see him do well." On the same day (Fox News), her husband, Governor Davis said, "I'm going to do everything I can to make Governor Schwarzenegger a success because I love this state."

*****Halloween Horrors*****

This week is a popular time of year to tell horror stories, dress in scary costumes, and recount many spooky folk tales and urban legends. All of that happens while consuming chocolate, making it an enjoyable pastime, but I would like to share two horrible sections of the state's Revenue and Taxation Code that you should not read while consuming any edibles.

§19545 A return or return information may be disclosed in a judicial or administrative proceeding pertaining to tax administration if any of the following apply:

- (a) the taxpayer is party to the proceeding, or the proceeding arose out of, or in connection with, determining the taxpayer's civil liability, or the collection of the taxpayer's civil liability with respect to any tax imposed under this part...

In plain English, this means that your tax return can become public information if you dare to exercise your appeal rights on a tax matter. Sadly, the government agents have been known to use this section to threaten and intimidate taxpayers into settling rather than have so much personal information become known publicly.

§860.2 Neither a public entity nor a public employee is liable for an injury caused by:

- (a) Instituting any judicial or administrative proceeding or action for or incidental to the assessment or collection of a tax.
- (b) An act or omission in the interpretation or application of any law relating to a tax.

Translation: a tax agent, in the course of doing his job, can commit a crime for which any normal citizen would be subject to prosecution, without fear of being held accountable. The more cases I hear on the Board, the more astounded I am by the lengths to which some bureaucrats will go in violating your rights. Some will trespass and steal and lie all to get more of your money. Even if you owe more, even if you have been criminal in your tax dealings, you are still entitled to the basic protections of due process that our Constitution affords to all citizens. Tax agents should not have a "get of jail free card" when they overstep their bounds and your liberty.

ISSUE FOCUS

*****Refuting Common Knowledge*****

It is common knowledge that campaign spending is out-of-control, bad for our system of representative government because money has a corrupting influence on elected official, and it spurs negative ads that turn off voters, right? Wrong—and now the evidence has been compiled to prove that. Professor John J. Coleman of the University of Wisconsin, Madison, recently published a study demonstrating that the more money candidates spend, the more knowledgeable voters become about the candidates and the issues. The research looked at voters' knowledge of 20 issues and found that when campaign spending was higher, voters knew more about 18 of those 20 issues. That is true across the spectrum of voter education, income and other indicators. In fact, voters with lower income and education levels benefit more from campaign spending because they do not have as many other resources or means to political information as better educated and wealthier people. Increased spending did not increase voter cynicism, did not depress people's view of the efficacy of political involvement, and in most cases, increased public trust. Spending by challengers and incumbents increases the competitiveness of

elections, and that competition actually strengthens our political system. To read Prof. Coleman's findings yourself, go to <http://www.cato.org/pubs/briefs/bp84.pdf>.

MISCELLANY

Three More Words to Know

Each week, the Leonard Letter features a few of the words from a list of 100 words that some educators say every high school student should know. The full list may be viewed at

http://www.houghtonmifflinbooks.com/booksellers/press_release/100words/.

61. Oligarchy (n) --- Government by a few, especially by a small faction of persons or families: *I worry that term limits and the lack of competitive legislative districts has rendered our Legislature into a liberal oligarchy.*

62. Omnipotent (adj) --- Having unlimited or universal power, authority, or force: *The liberal faction that runs the Legislature cannot continue to believe in omnipotent powers now that we have a Republican Governor.*

63. Orthography (n) --- The art or study of correct spelling according to established usage: *Copy editors around the state are brushing up on the orthography of the Governor-elect's last name.*

BOE AND LEGISLATIVE DATES

November 15 --- Statement of the Vote --- The last day for the Secretary of State to prepare, certify, and file a statement of the Vote.

November 17 --- Proposed date for swearing-in new Governor.

November 18 & 19 --- BoE meets in Sacramento.

December 4 --- BoE meets in Sacramento.

January 5, 2004 --- Legislature reconvenes.

NOTABLE DATES/ HISTORY

October 27, 1858 --- Theodore Roosevelt born in New York City, 26th President of the United States (1901-09)

October 27, 1787 --- Federalist letters start appearing in NY newspapers

October 28, 1793 --- Eli Whitney applies for a patent on the cotton gin

October 29, 1945 --- First ballpoint pen goes on sale, 57 years after it was patented

October 29, 1988 --- 2,000 U.S. anti-abortion protesters arrested for blocking clinics

October 30, 1735 --- John Adams born in Braintree, Mass, 2nd President of the United States (1797-1801)

October 30 1944 --- Anne Frank (of Diary fame) is deported from Auschwitz to Belsen

October 31, 1517 --- Luther posts 95 theses on Wittenberg church-Protestant Reformation

November 1, 1765 --- Stamp Act becomes effective in the British colonies

November 1, 1993 --- European Union comes into existence

November 2, 1783 --- General Washington bids farewell to his army

November 2, 1917 --- First U.S. soldiers killed in combat in WW I

November 2, 1983 --- President Reagan signs a bill establishing Rev. Martin Luther King day

GENERAL TAX INFORMATION

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115

TDD service for the hearing impaired

TDD phones: 800-735-2929

Voice phones: 800-735-2922

HOW TO CONTACT ME

Bill Leonard
Board of Equalization
450 N Street, MIC: 78
Suite 2337

Sacramento, CA 95814
Telephone: (916) 445-2181
Fax: (916) 327-4003

Email: bill.leonard@billleonard.org

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